

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 830 - HB 1295

March 29, 2011

SUMMARY OF BILL: Requires water utility districts in Lawrence County serving fewer than 1,600 customers to be governed by five-commissioner boards elected by utility district customers served by the respective district. Directs that commissioners will be elected to four-year terms and requires elections to occur, within 60 days of any commissioner vacancy, on Saturday between 9:00 a.m. and 3:00 p.m. at a community center, fire hall, or utility district office within the district's service area. Establishes the procedure for a candidate to be placed on the ballot. Requires incumbent commissioners to give notice of a vacant or a soon to be vacant office by mail and by publication in the newspaper of general circulation. Requires commissioners to prepare a paper ballot of the nominees for publication in the newspaper of general circulation between five and fourteen days preceding the election. Requires tabulation of ballots to occur publicly at the sight of the election, with commissioners forwarding election results to the county clerk for recording.

ESTIMATED FISCAL IMPACT:

On March 12, 2011, a fiscal note was issued estimating a fiscal impact as follows:

*Increase Local Revenue – \$100/FY11-12/Permissive
Not Significant/FY12-13 and Subsequent Years/Permissive
Increase Local Expenditures – \$9,000/Recurring**

Due to an incorrect assumption about the total number of utility districts and the cost to publish vacancy notices and ballots, this impact was in error. Based upon additional information, the estimated impact is:

(CORRECTED)

**Increase Local Revenue – \$100/FY11-12/Permissive
Not Significant/FY12-13 and Subsequent Years/Permissive
Increase Local Expenditures – \$2,300/Recurring***

Assumptions:

- This bill applies to five water utility districts in Lawrence County serving 4,328 total customers.

- Two commissioners will be elected in FY11-12. One commissioner will be elected each year thereafter.
- Elections to fill commissioner vacancies will be held at local community centers, fire halls, or the utility district office at no additional cost to the district.
- Utility districts will utilize volunteers to administer commissioner elections.
- Pursuant to Tenn. Code Ann. § 8-21-701, county clerks may assess a fee of \$5 to record election results resulting in an increase to local government revenue of \$50 (10 vacancies x \$5) in FY11-12 and \$25 (5 vacancies x \$5) in subsequent years.
- Utility districts will notify approximately 4,328 customers of a commissioner vacancy in billing statements mailed by the utility district each month resulting in a not significant increase to local expenditures.
- Utility districts will give notice of a vacant position in the newspaper of general circulation. The cost of a quarter page advertisement to notify district customers is estimated to be \$93.75 resulting in an increase to local expenditure of \$468.75 (\$93.75 x 5 districts).
- Water utility districts will publish in a newspaper of general circulation a ballot containing the names of all eligible candidates for water district commissioner. The cost for a half-page advertisement to publish district ballots is estimated to be \$375 resulting in an increase to local expenditures of \$1,875 (\$375 x 5 districts).

**Article II, Section 24 of the Tennessee Constitution provides that: No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/agl